



Hawai'i District Office Lenders Quarterly

U.S. Small Business Administration

Hawai'i District Office

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For More Information

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
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1-800-REG-FAIR
- SBA Home Page: www.sba.gov

All of the SBA's programs and services
are provided to the public on a
nondiscriminatory basis.

*"The Hawai'i District Office extends our
warmest mahalo for your support in 2006"*

Our SBA Resource Days and SBA Business Loan Blitz wouldn't have been as successful without the full participation and cooperation of our lenders and technical assistance providers.

As a recap, we began our aggressive marketing effort in January 2006 with SBA Resource Days at various lender branches in Kailua and Kaneohe and targeted Leeward Oahu in early April. On April 20, 2006, we conducted our first "SBA Business Loan Blitz" at various locations on Oahu and, on the 26th and 27th, we outreached to Kaua'i, Maui, Kona and Hilo. The basic strategy was to expedite loan approval by matching creditworthy loan applicants with our lenders and technical assistance providers through one-on-one interviews.



A second Business Loan Blitz was held in July at Kapolei Hale and involved local as well as mainland lenders. Sixty-four (64) small businesses attended the event. It was a busy and productive day. (See R & M Painting)

Because the Business Loan Blitz involves multiple lenders and technical assistance providers at one location on a given day, we decided to continue the less-labor-intensive-however-equally-as-productive SBA Resource Days in June and August at various metro Honolulu locations. The Resource Day involves only one lender on a given date, and the SBA Specialist not only fields financing questions but provides information on the Agency's management assistance programs and procurement services. The SBA Resource Days averaged 6-7 appointments per day.

SBA Community Express has been well received at all of the events. To find out more about Community Express or being a technical assistance provider, call Kimberly Hite (808) 541-3024, Mary Dale (808) 541-2983 or David Brown (808) 541-2986.



R&M Painting - Making the SBA Network Work for You

By: Mary Dale



The success of a small business is determined by the entrepreneurial spirit of the business owner-- a spirit exemplified by Roy Kaulula'au, owner of R&M Painting. A member of the Painter's union for over 25 years, Roy's desire for independence was the deciding factor in becoming an entrepreneur. He knew everything about paints and painting, but was stumped when it came to the "daily grind of running a business." Roy started R & M Painting on November 17, 2005 as a home-based business in Waianae. To kick start his business, a family member suggested registering his business in the Central Contractor Registration (CCR) database, where small business owners can pursue

contracting with the federal government.

Through the CCR, R&M Painting received their first notice from the U.S. Small Business Administration (SBA) announcing a government contracting workshop being held in Kapolei. Since then, Roy and his wife Marilyn have attended numerous workshops sponsored by the SBA, one of which was the "Contracts = Cash Workshop" where the Kaulula'aus met U.S. Coast Guard Contracting Officer Verna Jackson. Verna encouraged Roy and Marilyn to explore the Coast Guard and other government websites for possible contracting opportunities.

This knowledge opened new avenues for Roy as he envisioned his small business attaining new heights through government contracts. Though most of his initial bids were not accepted, his persistence and tenacity finally paid off, and Roy was awarded his first contract with the Coast Guard to paint the Hideaway Club at Barbers Point for \$4,500! Roy learned quickly that bidding on a contract was just the beginning. The biggest challenge on this particular job was time ... and very little time, as the club had to be renovated for a visiting high-ranking government official. Selected for the job on Thursday morning, the work started on Sunday, had to be completed the following Thursday and ready for the big event on Saturday. Besides the critical time element, the Coast Guard also requested R&M's certified payroll. Stumped again but not discouraged, Marilyn remembered a discussion on certified payroll at an SBA workshop presented by Shane Takeshita of Hawai'i Pro Services. Marilyn contacted him, explained their dilemma and Shane responded immediately to help R&M meet their contract requirements.



Roy and Marilyn decided that working with the Federal Government is a great way to grow their business and is worth the payoff. However, payment from the government is often delayed and daily expenses continue to mount. To get a better handle on cash flow, Marilyn contacted Caroline Kim of the Hawai'i Small Business Development Center Network (SBDC). The SBDC provides technical assistance and business counseling to small business owners. Caroline assisted R&M with cash flow projections and business plan development. As chance would have it, R&M received yet another announcement from SBA about a "**Business Loan Blitz**" to be held at Kapolei Hale. This timely event promised the attendees the convenience of getting informed about SBA loan programs from several local and mainland lenders all in one location.

It was at the "**Business Loan Blitz**" that Roy and Marilyn met Phil LaCorte of Innovative Bank of Oakland, CA. Phil recommended SBA Community Express. It suited their financial needs in being affordable, practical and timely. The application was completed on-site and approved in less than an hour. Within a week, the funds were deposited into their business banking account. "Once again SBA was there to assist us and without SBA, our company would still be in the thinking stages."

On a personal note, Roy Kaulula'au is not just a business owner but he is also a dedicated husband, father, grandfather and community leader. As members of Paradise Chapel Church located in Nānākuli, Roy and Marilyn manage a sports ministry for youth, collect food and clothing for the church food bank and much more. The Kaulula'aus believe that putting God first in their lives has been the key to their success, both personally and professionally.

In an effort to continue supporting their community, the Kaulula'aus will assist SBA's Faith Based initiative by hosting a workshop at Paradise Chapel on November 4, 2006 for new and existing small business owners on the Leeward Coast.

A 504 Story

HCD Corporation dba Hawaiian Carpet One and Hawaiian Ceramic Tile



Old-style traditions and strong family values are the foundation for HCD Corporation, a family-owned business. Twenty-five years ago, Myles and Joyce Kawakami started with \$10,000 in capital and some experience selling carpets. The business' growth was built on developing relationships with the Maui community and those who knew his family. Myles noted that recently "Hawaiian Carpet One made a sale to its first third-generation customer. We sold to the parents, then to the children and now to the grandchildren."

Going head-to-head with the big box retailers, Hawaiian Carpet One/Hawaiian Ceramic Tile expanded to 162 Alamaha Street in Kahului in 2004. With the assistance of Susan Takeda from Bank of Hawai'i and Craig Swift of Lōkahi Pacific Rural Development, HCD Corporation purchased and renovated the parcel using the SBA 504 loan program. It was the site of the old "Ming Yuen" restaurant. Only a long-time Maui resident will recall that the restaurant was actually built as a furniture store and Myles Kawakami managed the original opening of CS Wo/BJ Furniture. An improvement from their original Lower Main Street location, the Alamaha parcel has floor area of 21,000 sq.ft. and 60 parking spaces versus 10,000 sq.ft. and 19 parking spaces in the old location. The new Alamaha location includes a remnant showroom, along with expanded displays of granite, marble and other innovations in floor covering. Myles noted that just a decade ago, granite was only for luxury homes----however, thanks to Chinese and Brazilian imports, granite is now very affordable.



Hawaiian Carpet One belongs to Carpet One, a nationwide cooperative similar to Ace Hardware, that allows members to take advantage of economies of scale, yet its members are independent businesses. With the purchasing advantage of 2,000 stores, the Carpet One members can compete with the large home improvement chains. However, Myles is quick to note that the growing segment in their industry is hard surface flooring.

Myles continues to support the Maui community. He is the Chairman of the Board for the Maui Chamber of Commerce, a former Director of the Kiwanis Club of Maui, an officer in the Maui Christian Ministers Association, and the co-founder of Pray Maui, a consortium of Churches working together on Maui. Myles also supports his wife Joyce's Feed My Sheep, a faith-based food provider for the needy that is supported by about a dozen Maui churches.

Lender and Lending Officer Recognition Breakfast Sponsored by the Hawai'i Women Business Center

*Wednesday, October 25, 2006
Plaza Club-900 Fort Street Mall, 20th Floor
8:00am-8:30am Registration
8:30am-10:00am Breakfast and Program
\$25.00 per person
Make Check Payable to: HWBC
1041 Nuuanu Avenue, Suite A
Honolulu, HI 96817
Ph: (808) 526-1001 Fax: (808) 550-0724*

Loan Activity, FY 2006
Twelve Months Ended 9/30/06

<u>Bank</u>	<u>No. of Loans</u>	<u>Loan Amount(000's)</u> <u>Gross</u>	<u>SBA</u>
Bank of Hawaii	143	9425.1	5180.4
Central Pacific Bank	50	3102.5	2000.6
First Hawaiian Bank	37	4245.0	2624.6
Capital One	34	1460.0	730.0
Citizens Security Bank	22	2977.6	1898.7
American Savings Bank	9	1100.0	746.3
Hawaii National Bank	4	598.6	463.3
Comerica Bank	2	1863.2	1397.4
UPS Capital Business Credit	2	1278.0	958.5
Bank of Guam	2	90.0	76.5
Wilshire State Bank	1	1850.0	1387.5
Branch Banking & Trust Co.	1	400.0	300.0
Center Bank	1	350.0	262.5
Stearns Bank National Association	1	200.0	170.0
Ohana Pacific Bank	1	200.0	150.0
Sub-total	310	29140.0	18346.3
Business Loan Center LLC	41	1193.0	1014.1
Innovative Bank	38	545.0	456.3
Superior Financial Group, LLC	2	15.0	12.8
Microloan	1	21.5	21.5
Total 7(a) Loans	392	30914.5	19851.0
HEDCO 504 Loans	20	8443.0	8443.0
Lokahi Pacific 504 Loans	1	1122.0	1122.0
Grand Total	413	40479.5	29416.0

NUMBER OF LOANS BY COUNTY & GUAM & SAMOA

	<u>Oahu</u>	<u>Guam</u>	<u>Hawaii</u>	<u>Maui/Molokai</u>	<u>Kauai</u>	<u>Samoa</u>	<u>Total</u>
Bank of Hawaii	59	51	17	9	4	3	143
Central Pacific Bank	29		13	6	2		50
First Hawaiian Bank	28	1	5	2	1		37
Capital One	24		3	7			34
Citizens Security Bank		22					22
American Savings Bank	6			3			9
Hawaii National Bank	4						4
Comerica Bank			1	1			2
UPS Capital Business Credit	1			1			2
Bank of Guam		2					2
Wilshire State Bank	1						1
Branch Banking & Trust Co.	1						1
Center Bank	1						1
Stearns Bank National Association	1						1
Ohana Pacific Bank	1						1
Sub-total	156	76	39	29	7	3	310
Business Loan Center LLC	24	4	5	7		1	41
Innovative Bank	31				7		38
Superior Financial Group, LLC	2						2
Microloan	1						1
Total 7(a) Loans	214	80	44	36	14	4	392
HEDCO 504 Loans	10	1	4	5			20
Lokahi Pacific 504 Loans				1			1
Grand Total	224	81	48	42	14	4	413

Final Results for FY 2006 Lending Officer Awards

Lending Officer	Bank	Branch	# Loans	Pts. =	Bonus Points						Total =
				# Loans X 2	Women	Veteran	504	504 Startup	# Blitz X 2	# Blitz	Pts. + Bonus Pts.
Oahu											
Masuno, Naomi	CPB	Kaimuki	11	22	7	2			6	3	37
Au, Randy	BOH	Waipahu	10	20	3	2	1		0		26
Dickinson, John	ASB	Main	8	16	4				0		20
Nguyen, Dan	CPB	Kalihi	5	10	1	2			4	2	17
Wong, Alison	BOH	Waikiki	5	10	1	0			0		11
Kanoa, Manly	BOH	Pearlridge	5	10	1				0		11
Olanolan, Beulah	BOH	Pearlridge	4	8	3				0		11
Aoki, Jared	CPB	Main	3	6	1				2	1	9
Shigeta, Darin	BOH	Waialae-Kahala	4	8	1				0		9
Kurosawa, Scott	CPB	Mapunapuna	4	8	1				0		9
Kihe, Demaney	FHB	Kaneohe	4	8					0		8
Honda, Lori	BOH	Waikamilo	4	8					0		8
Pingree, Gayle	FHB	Waipahu	3	6		1			0		7
Kauai											
Mayfield, Jim	BOH	Kauai	2	4					0		4
Sandrowski, Jennifer	BOH	Kukui Grove	2	4					0		4
Maui											
Matsumoto, Pat	CPB	Kahului	5	10	3				2	1	15
Yoshida, Kevin	CPB	Kahului	3	6	3				0		9
East Hawaii											
Kang, Calvin	CPB	Hilo	12	24	2	3			4	2	33
Fujinaka, Keene	BOH	Kaikoo	8	16	2	2			2	1	22
West Hawaii											
Binney, Jocelyn	BOH	Kailua Kona	3	6	1				0		7
Fernandez, Phillip	BOH	Kailua Kona	2	4	1	1			0		6

